GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:170
ANSWERED ON:25.07.2002
DISRUPTION OF COAL SUPPLY TO THERMAL PLANTS
MOINUL HASSAN AHAMED

Will the Minister of POWER be pleased to state:

(a) whether the Government are aware that many thermal plants are facing serious crisis as the coal supply to various thermal plants has been disrupted due to non-payment of bills in the past;

(b) if so, the details of unpaid bills of Coal India Limited;

(c) whether this would lead to sickness of CIL;

(d) the reasons for non-payment of bills by these power plants; and

(e) the steps, the Government have taken to overcome this grim situation?

Answer

THE MINISTER OF POWER (SHRI SURESH PRABHU)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OSTARRED QUESTION NO. 170 TO BE ANSWERED IN TI LOK SABHA ON 25.07.2002 REGARDING DISRUPTION OF COAL SUPPLY TO THERMAL PLANTS.

(a) : Presently, supply of coal to the thermal power plants in the country is made under `cash and carry` scheme. Under the scheme, the power utilities are required to make advance payment equivalent to 90% of basic value of the coal + 100% of royalty and statutory levies/duties or through irrevocable revolving letter of credit. At times, some power stations are unable to ensure timely and adequate payments because of which, coal supplies are regulated in line with payments made by power utilities to coal companies. During the year 2001-2002, 240.009 million tones of coal was supplied against a linkage of 250.554 million tones, i.e. materialization of 96%. The average coal stock as on 22nd July, 2002 on all India basis was equivalent to 19 days consumption.

(b) & (c) : As per Ministry of Coal, the total outstanding dues of Coal IndiaLtd., as on 30.6.2002 was Rs.6117.85 crores out of which the undisputed amount was Rs.4340.31 crores and disputed amount was Rs.1777.54 crores. As on 31st March, 2001 the outstanding dues was Rs.6145.39 crores out of which the undisputed amount was Rs.4564.48 crores and disputed amount Rs.1580.91 crores. This shows improvement in realizations.

(d) : Under `cash and carry` scheme for supply of coal, the power plants generally make payments for coal supplies. At times, due to financial constraints some power houses default in timely payment of bills to coal companies. As a consequence, the coal companies regulate supply of coal to these power houses.

(e) : The following steps are being taken for recovery of outstanding dues :-

(i) Implementation of `Cash and Carry` scheme.

(ii) Recovery of outstanding dues from Central Plan Assistance (CPA) of the concerned States.

(iii) Adjustment of coal sale dues of State Electricity Boards (SEBs) towards power bills, royalty, cess.

(iv) Securitisation of outstanding dues.

(v) Settlement of disputed outstanding dues through umpires appointed by Government.